



One Hundred First Legislature - Second Session - 2010
Introducer's Statement of Intent
LB 979

Chairperson: Dave Pankonin
Committee: Nebraska Retirement Systems
Date of Hearing: February 9, 2010

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

This legislation is introduced at the request of the Nebraska Department of Labor.

In 1961 the Legislature authorized the Commissioner of Labor to establish an independent retirement plan for employees of the Department of Labor employed in the unemployment insurance and job service programs. By statute those employees were prohibited from becoming members of the State Employees Retirement System.

In 1984 the Legislature closed off the independent retirement plan to new membership. The number of active participants in the independent retirement plan still employed by the Department has declined to approximately sixty employees. At some point, it may become necessary to terminate the independent plan.

If the independent retirement plan is terminated, it is the intent of LB 979 that any active participants employed by the Department will immediately become members of the State Employees Retirement System and will continue to accrue retirement benefits while employed with the state. LB 979 does not provide for a transfer of the employee's retirement account in the independent retirement plan to the state system. Retirement benefit rights accrued under the independent retirement plan would continue to be governed by the terms of that plan.

Specifically, LB 979 amends the provisions of *Neb. Rev. Stat.* § 84-1301 and *Neb. Rev. Stat.* § 84-1307 in the following respects:

1. amends *Neb. Rev. Stat.* § 84-1301 to make existing independent retirement plan employees members of the State Employees Retirement System in the event of termination of the Department of Labor's independent retirement plan.
2. amends *Neb. Rev. Stat.* § 84-1307 to provide that any members of the Department of Labor's independent retirement plan who become members of the State Employees Retirement System in the event of termination of the independent retirement plan will become immediately vested.

Principal Introducer:

Dave Pankonin, Chairperson
Committee on Nebraska Retirement Systems